

**DEPARTMENT OF FINANCIAL INSTITUTIONS
AMENDED ORDER OF THE COMMISSIONER**

WHEREAS, Congress passed and the President signed into law the Housing and Economic Recovery Act of 2008, and Title V of that Act contained the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 15 U.S.C. §§5101, *et seq.* (the “S.A.F.E. Act”);

WHEREAS, the S.A.F.E. Act requires the registration of mortgage loan originators and processors with the National Mortgage Licensing System and Registry (“NMLSR”) developed and maintained by the Conference of State Bank Supervisors (“CSBS”) and the American Association of Residential Mortgage Regulators (“AARMR”) and, among other things, sets forth certain educational and testing requirements for such individuals;

WHEREAS, the S.A.F.E. Act directed states to enact legislation to meet certain minimum requirements relating to the registration and supervision of mortgage loan originators and processors;

WHEREAS, for the purpose of complying with the requirements of the S.A.F.E. Act, the Kentucky General Assembly passed and the Governor signed into law HB 106 (the “Act”) on March 27, 2009;

WHEREAS, pursuant to the Act, Kentucky Revised Statute (“KRS”) 286.8-825 was amended to authorize the Executive Director (now Commissioner by virtue of the Governor’s Executive Order 2009-535 dated June 12, 2009) to waive or modify statutory provisions relating to the registration of mortgage loan originators and processors to ensure a smooth transition to the NMLSR;

WHEREAS, the Act becomes effective June 25, 2009;

WHEREAS, the CSBS and AARMR do not currently have fully established processes related to the requirements of registering through the NMLSR;

WHEREAS, because the processes for registering have not been fully established thereby making full compliance with the Act impossible on its effective date of June 25, 2009;

WHEREAS, on June 25, 2009, the Commissioner issued an Executive Order amending the deadlines set forth in the Act to allow NMLSR to establish fully the processes for registering; and

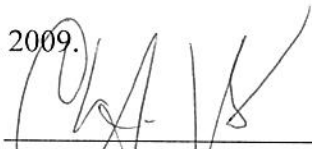
WHEREAS, NMLSR has not yet completed the processes related to the requirements of registering through the NMLSR.

NOW, THEREFORE, the Commissioner, pursuant to KRS 286.6-285(2), hereby **ORDERS** as follows:

- I. KRS Chapter 286.8 is hereby modified as it relates to mortgage loan originators and processors who are currently registered or who make application for registration in Kentucky on or before October 31, 2009, as follows:
 - A. KRS 286.8-255(3) and (10) and KRS 286.8-260 are modified to require completion of 20 hours of pre-licensing education credit and 12 hours of continuing education credit no later than November 30, 2009. For purposes of this statute, the pre-licensing education credit hour requirement may include any continuing education credit hours taken on or before November 30, 2009.
 - B. KRS 286.8-255(9)(e) is modified to require passage of both the state and national components of the qualified written test deemed to meet the requirements of the S.A.F.E Act on or before June 30, 2010. This test will be administered by the NMLSR.
 - C. KRS 286.8-255(8) is modified to require submission of background records checks conducted by the Federal Bureau of Investigation. This submission must be made through the NMLSR on or before June 30, 2010.
 - D. KRS 286.8-255(8) is modified to require submission of an independent credit report obtained from a consumer reporting agency described in the Fair Credit Reporting Act, 15 U.S.C. sec. 1681a. This submission must be made through the NMLSR on or before November 30, 2010.

- E. To the extent a provision of KRS Chapter 286.8 is not modified herein, it remains unmodified and applicable as written such that immediate compliance is required.
- II. KRS Chapter 286.8, as amended and effective on June 25, 2009, remains unmodified such that all mortgage loan originators and processors who make application for registration on or after November 1, 2009, excluding those who were not required to be registered prior to the Act as described in Section III, must comply with all requirements as currently set forth therein with the following exceptions:
 - A. KRS 286.8-255(8) is modified to require submission of an independent credit report obtained from a consumer reporting agency described in the Fair Credit Reporting Act, 15 U.S.C. sec. 1681a. This submission must be made through the NMLSR on or before November 30, 2010.
 - B. KRS 286.8-255(8) is modified to require submission of background records checks conducted by the Federal Bureau of Investigation. This submission must be made through the NMLSR on or before June 30, 2010.
- III. KRS Chapter 286.8 is modified to require all mortgage loan originators and processors who were not required to be registered in Kentucky prior to the Act because they were previously exempt or outside the scope of KRS Chapter 286.8 to comply with all requirements as currently set forth therein on or before March 30, 2010, except as set forth in Section II.A.
- IV. To the extent any deadline in KRS Chapter 286.8 has been modified herein and such deadline is contingent upon NMLSR functionality, the deadline shall be as set forth herein or when NMLSR functionality allows for compliance, whichever is later.

It is so **ORDERED** as of the 30th day of September, 2009.



CHARLES A. VICE
COMMISSIONER